

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2019/2020

BLE2114

LEGAL ENVIRONMENT IN INTERNATIONAL BUSINESS

(All sections / Groups)

23 OCTOBER 2019
9:00A.M. – 11:00A.M.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **FIVE (5)** printed pages with **FOUR (4)** Questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

- (a) Explain the obligations of Seller and Buyer in International Sales of Goods in accordance to United Nation Convention on International Sales of Goods.

(10 marks)

- (b) Explain **FOUR (4)** requirements that non-performance of the contract is an excuse for the party not to perform the contract in International Sales of Goods. Support your answer with relevant cases of law.

(15 marks)

(Total: 25 marks)

QUESTION 2

Razak who is residing in Malaysia, is a frequent visitor of bookstore.com, a United Kingdom e-commerce company that sells books online. On Wednesday, 5th June, he has received an email notification from bookstore.com with the following wording:

10% DISCOUNT VOUCHER
ON SELECTED BESTSELLERS

OFFER ENDS 25TH JUNE, 2019

This month we have 10% discount voucher for you, with FREE DELIVERY on the great bestselling titles featured on the page at the link below. Just use the code of JUNE12 in the coupon box at checkout to claim your discount.

HURRY! Offer ends on 25th June 2019, Tuesday

Click here >>>>

Since Razak loves books and eager to know the offer, he had click the “click here” button. He find a book that he really wants to buy which is “Legal Environment in International Business” and the offer is £100 (RM400).

Continued

He also knows that the price of the book at the retailer bookstore is RM440. Then he clicked the button "add basket". There he found the following links: -

Your Basket: If Razak clicks the checkout button, it means that he has agreed on the terms and conditions of the bookstore.com and he needs to fill an online form with his personal data and preferred payment method. His order shall be confirmed after he completed and checked the form.

Checkout Basket: This link is provided for registered customer only. If the customer clicks on it, it is not necessary for the customer to fill in personal data and it will automatically confirm the order.

Under the link, there is another link to the Terms and Conditions of Sale.

Razak click on Checkout Basket and he has received a notification confirming his order and now his order is now on its way.

Few days later, Razak found out that his classmate, Morgan, bought the same book with the price of RM299 from the same website on 26th June 2019 whereby he obtained the information on the discounted price when he clicked on the link "Sales and Special Offers".

Based on the above, answer the following questions: -

- a. Whether there is any contract concluded between Razak and the bookstore.com?

(15 marks)

- b. Advise Razak and bookstore.com of the significant wording of "special offer to their respective legal claims.

(5 marks)

- c. Whether it is necessary for the parties to conclude their contract with signature?

(5 marks)

(Total:25 marks)

Continued

QUESTION 3 (25 Marks)

- (a) Lipark Co. Ltd. is the largest butter cookies export company in Canada. The export of the butter cookies is based on demand from other countries. Recently, the company is facing some problems. Letter of credit is used as a method of payment for a contract entered into between Lipark Co.Ltd and Danish Co. Ltd. who registered at Netherland for the sale of 1000 units of butter cookies at Euro €300. Payment was done by letter of credit, drawn on a Canada Bank.

The document required were the commercial invoice, insurance policy, a marine bill of lading and a certificate of quality issued by a company accredited on quality of butter which was 100% unsalt Lipark Butter. While, Netherland bank acting as an advisor informed that the documentary credit has fallen through because the certificate of quality states that: -

Butter ingredients: 80% unsalt Lipark Butter

Margarine ingredients : 20%

The Netherland bank has rejected the letter of credit because the bank has no knowledge about the quality of the butter.

Advise the Netherland bank.

(15 Marks)

- (b) Briefly explain **FIVE (5)** reasons on the important of Trade Terms in accordance to the International Rules for the Interpretation of Trade Terms or Incoterms 2010.

(10 Marks)

(Total: 25 marks)

Continued

QUESTION 4 (25 Marks)

- (a) Explain the important of Montreal Convention and support with any relevant **TWO (2)** cases law.

(15 marks)

- (b) Explain **TWO (2)** main differences of Arbitration and Mediation.

(10 marks)

(Total: 25 marks)

End of Paper